

ALLBAND EXPARTE

CC Docket #96-45

Provision of Basic and Advanced Services to Unserved Areas in the Lower Peninsula of Michigan



March 23rd, 2009

Allband Is Dedicated To Providing Ubiquitous Services In Unserved Areas In Michigan: Phase I

- On November 3, 2003, after extensive planning and organizational efforts, Allband filed its Articles of Incorporation with the State of Michigan.
- On July 29, 2004, Allband filed a complete loan application with the USDA Rural Development.
- On August 31, 2004, the Michigan Public Service Commission (“MPSC”) in Case No. U-14200 granted Allband a temporary license to provide service to the area Allband planned to serve in Phase 1 (the Robbs Creek Exchange). A permanent license was granted by the MPSC in Case No. U-14200 on December 2, 2004.
- Allband obtained RUS funding on Oct. 7, 2004 and began constructing an all fiber, passive optical, state of the art telecommunications network that would allow Allband not only to provide standard telecommunications services, but also ubiquitous broadband and other advanced services.

Allband Is Dedicated To Providing Ubiquitous Services In Unserved Areas In Michigan *(Cont.)* Phase I

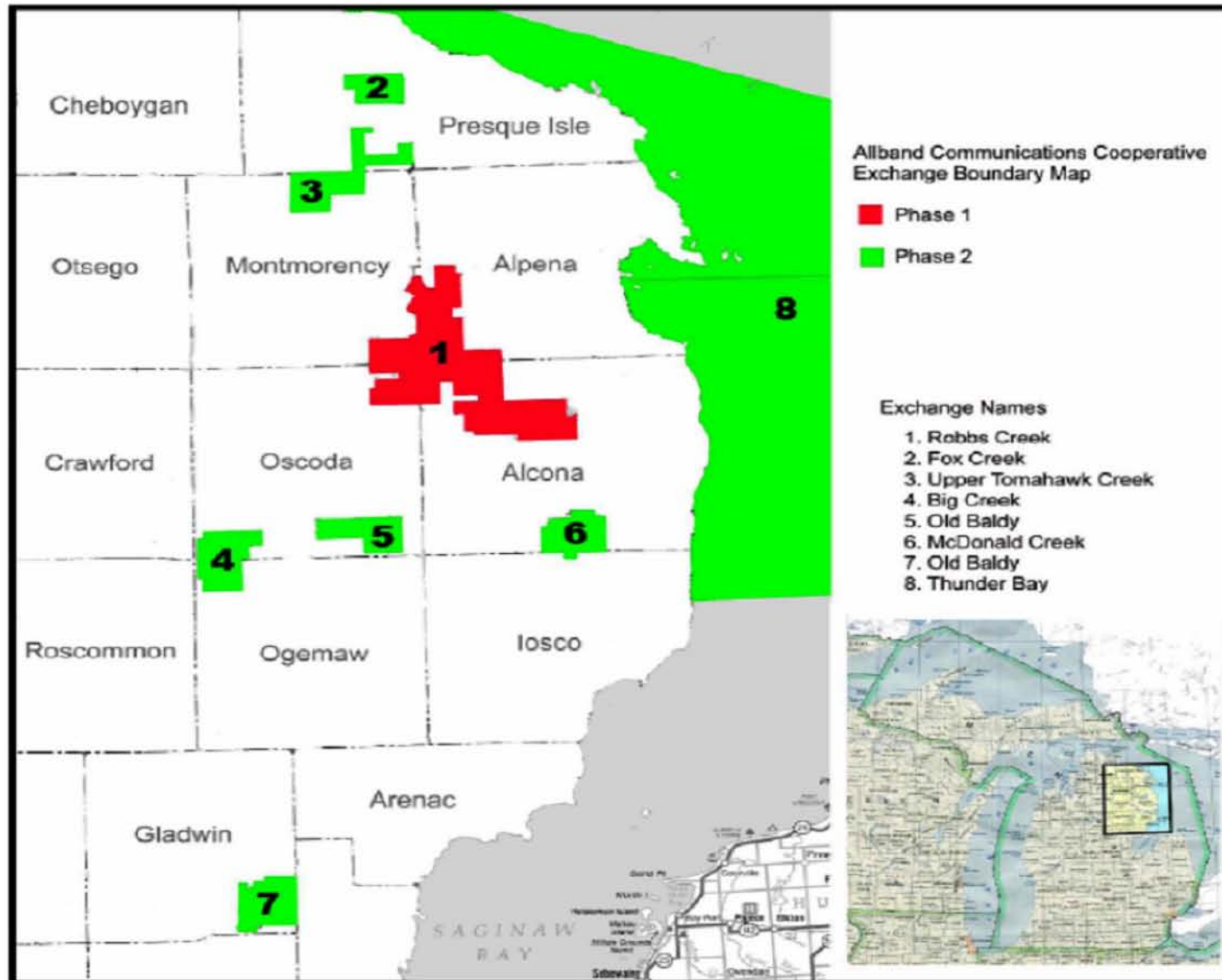
- On August 11, 2005, the FCC granted Allband's waiver of certain FCC's rules and allowed Allband to be treated as an ILEC for NECA pooling and Universal Service purposes.
- On November 10, 2005, the MPSC in Case No. U-14659 granted Eligible Telecommunications Carrier (ETC) status to Allband.
- Allband joined the NECA pools in December 2006. This action allowed Allband to (a) Minimize administrative expenses and (b) Maintain reasonable and stable access rates.
- USAC and NECA recognized Allband as an ILEC and began providing Interim Common Line Support and Local Switching Support in December 2006. Allband began receiving High Cost Loop Support in January 2008. This support is being used and will be used by Allband to recover a substantive portion of the ongoing high cost of providing ubiquitous network facilities and thus to enable Allband to maintain reasonable local exchange consumer rate levels (\$19.90 per month for residence and business).

Allband Is Planning To Providing Ubiquitous Services In Unserved Areas In Michigan *(Cont.)* Phase II

Allband began planning for the second phase of its long-term plan in early 2007, which is to provide the same high quality, universally available, basic, advanced and interexchange network services at just, reasonable and affordable rate levels in other unserved areas in Michigan. The customers to be served are located in the following counties in Michigan and will be served within the proposed Allband exchanges listed below.

- | | |
|--|-------------------------------|
| • Oscoda and Ogemaw Counties | Big Creek Exchange |
| • Presque Isle County | Fox Creek Exchange |
| • Alcona and Iosco Counties | McDonald Creek Exchange |
| • Gladwin County | Mosquito Alley Exchange |
| • Oscoda County | Old Baldy Exchange |
| • Presque Isle County | Thunder Bay Exchange |
| • Presque Isle and Montmorency
Counties | Upper Tomahawk Creek Exchange |

Allband Phase 1 and Phase 2 - Licensed Service Territories



Allband Opposes Osirus' Petition and Requests its Prompt Denial

1. Allband, an existing ILEC in Michigan, is already planning to serve all but one of the unserved areas described in Osirus' petition.
2. Allband already meets all of the requirements of this Commission and the Michigan Public Service Commission ("MPSC") to serve the unserved areas. Allband:
 - Obtained the relevant waivers of the Commission's Rules in 2005, that Osirus now seeks to duplicate in this docket in 2007;
 - Has an MPSC license to serve all of the unserved areas;
 - Is combining the unserved areas with its existing ILEC study area in Michigan in compliance with the Commission's Orders; and
 - Meets the stricter requirements of NECA to include the additional areas in the NECA pools and tariffs and has provided such documentation to NECA.
 - Has been designated as an ETC for the additional unserved areas.
3. Allband has completed the work (network design, financial analysis, RUS loan application) to provide service to the areas in question.

Allband Opposes Osirus' Petition and Requests its Prompt Denial (Cont.)

- Without the FCC waiver it seeks, Osirus is not an ILEC and does not have an ILEC study area.
 - ✓ Allband is an ILEC, and no additional study area waiver is required per the Skyline Order. Allband plans to combine the unserved areas with its existing study area.
- Osirus was granted a license from the Michigan Commission, but Osirus is a CLEC. To serve the areas as an ILEC and to enter the NECA pools, it must receive the waiver it seeks from the Commission.
 - ✓ Allband also has a license from the Michigan Commission to serve the unserved areas, and as an ILEC, may include the unserved areas in the NECA pools without an additional waiver.

Delay Harms Consumers In The Unserved Areas

- Allband had planned to begin construction of facilities in the unserved areas in 2008 as soon as its RUS loan was approved. The new exchanges would have been included in the NECA pools as part of the Allband study area.
- However, the Osirus petition has caused uncertainty and has delayed Allband's RUS loan and NECA's inclusion of the additional exchanges for the unserved areas in the NECA pools.
- Previously unserved consumers now served by Allband in its Robbs Creek exchange are happy with their service. Construction delays caused by the Osirus petition has delayed the provision of the same high quality, basic and advanced services to consumers in the additional unserved areas.
- Because Allband already meets all of the Commission's requirements to serve the additional areas as an ILEC, and in order to insure no service delays for consumers, the Commission should immediately deny Osirus' petition and clarify that Allband is an ILEC for the additional unserved areas.

Allband will negotiate an interconnection agreement with Osirus, so that it may serve the areas as a CLEC, if it wishes.

NTIA / RUS Broadband Grants

Allband plans to submit a Broadband Grant application either through NTIA or RUS to obtain funding from the American Recovery and Reinvestment Act (ARRA).

With a Broadband Grant and RUS loans, Allband will be able to reach schools, hospitals, Public Safety Centers (Police & Fire stations), job training centers, libraries, businesses and residents who are currently without any high speed broadband services.

Allband will provide service to customers who have no high speed broadband service and will facilitate rural economic development in unserved, rural areas of Michigan.

However, without knowing the outcome of this Petition, any further plans for expansion to meet the needs of customers in unserved areas will have to be put on hold.

Requested Resolution

Deny Osirus' Petition and clarify to NECA and USAC that Allband is the ILEC serving the additional unserved areas in Michigan.